

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1970

Introduced by Assembly Member Gordon

February 19, 2014

An act to add Chapter 3.6 (commencing with Section 39680) to Part 2 of Division 26 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 1970, as amended, Gordon. California Global Warming Solutions Act of 2006: Community Investment and Innovation Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

This bill would create the Community Investment and Innovation Program and would require moneys to be available from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature, for purposes of awarding ~~local assistance~~ grants and other financial assistance to eligible ~~grant~~ applicants, as defined, who submit plans to develop and

implement integrated community-level greenhouse gas emissions reduction projects in their region. The bill would require the Strategic Growth Council, in ~~coordination~~ *consultation* with the state board, to administer the program, as specified. ~~The bill would require 25% of the moneys appropriated for purposes of the program be awarded to eligible grant applicants whose projects include and specifically benefit environmental justice communities, as defined.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The reduction of greenhouse gas emissions is critical to
- 4 public health, safety, the economy, and the natural ~~environment~~
- 5 ~~that residents rely on~~ *environment*.
- 6 (b) The scoping plan prepared by the State Air Resources Board
- 7 pursuant to the California Global Warming Solutions Act of 2006
- 8 (Division 25.5 (commencing with Section 38500) of the Health
- 9 and Safety Code) encourages local governments to adopt
- 10 greenhouse gas ~~emissions~~ *emission* reduction goals consistent with
- 11 the state's overall goal of reducing statewide emissions to 1990
- 12 levels by 2020. In addition, the scoping plan recognizes local
- 13 governments as critical partners in achieving the state's goals to
- 14 reduce greenhouse gas emissions.
- 15 (c) Local and regional governments have broad influence and,
- 16 in some cases exclusive authority, over activities that contribute
- 17 to significant direct and indirect greenhouse gas emissions through
- 18 their planning and permitting processes, local ordinances, outreach
- 19 and education efforts, and municipal operations. Many of the
- 20 measures in the scoping plan to reduce greenhouse gas emissions
- 21 rely on local government actions.
- 22 (d) State investments in local and regional greenhouse gas
- 23 emission reduction projects in this state help local communities
- 24 thrive, support the state's emission-reduction and clean-energy
- 25 targets, lower the statewide unemployment rate, and spur new job
- 26 growth.
- 27 (e) Providing incentives to local governments to plan and
- 28 implement their own greenhouse gas emission reduction efforts

1 will assist the state to reach its emission-reduction targets faster
2 and more efficiently.

3 (f) Local greenhouse gas emission reduction initiatives ~~best~~
4 recognize the particular reduction opportunities at the local level
5 and provide an opportunity to enhance the environment and
6 economy of local and regional places through multibenefit projects.

7 (g) Local governments are well suited to coordinate and
8 aggregate micro-, small-, community-, and regional-scale projects
9 that will help the state reach its environmental targets while
10 providing incentives for investments and job growth at the local
11 level.

12 (h) It is the intent of the Legislature to promote investments in
13 local and regional greenhouse gas emission reduction projects.

14 SEC. 2. Chapter 3.6 (commencing with Section 39680) is added
15 to Part 2 of Division 26 of the Health and Safety Code, to read:

16
17 CHAPTER 3.6. COMMUNITY INVESTMENT AND INNOVATION
18 PROGRAM
19

20 39680. (a) The Community Investment and Innovation
21 Program is hereby created.

22 (b) Moneys shall be available from the Greenhouse Gas
23 Reduction Fund, created by Section 16428.8 of the Government
24 Code, upon appropriation by the Legislature, for purposes of
25 carrying out this chapter.

26 (c) ~~(1) The Strategic Growth Council, in coordination~~
27 ~~consultation with the state board, shall administer the Community~~
28 ~~Investment and Innovation Program.~~

29 ~~(2) The Strategic Growth Council, in coordination with the state~~
30 ~~board, shall establish~~ *administer* the Community Investment and
31 Innovation Program to provide ~~local assistance~~ grants and other
32 financial assistance to eligible ~~grant~~ applicants who submit plans
33 to develop and implement integrated community-level greenhouse
34 gas emissions reduction projects in their region.

35 (d) For purposes of this chapter, ~~the following terms have the~~
36 ~~following meanings:~~

37 ~~(1) "Eligible grant~~ *"eligible applicant"* means a city, county,
38 city and county, charter city, charter county, *district*, special
39 district, ~~regional energy network, environmental justice community,~~

1 or a collection of cities, counties, *districts*, or special districts,
2 *including, but not limited to, a regional energy network.*

3 ~~(2) “Environmental justice community” means a community~~
4 ~~that has been in the top 10 percent of statewide community scores~~
5 ~~under the latest version of the California Communities~~
6 ~~Environmental Health Screening Tool published by the Office of~~
7 ~~Environmental Health Hazard Assessment.~~

8 39681. The Strategic Growth Council, in consultation with the
9 state board, shall develop guidelines for the implementation of this
10 chapter consistent with Division 25.5 (commencing with Section
11 38550) and Chapter 4.1 (commencing with Section 39710). The
12 guidelines shall do all of the following:

13 (a) Allow for project implementation by eligible ~~grant~~
14 applicants, as well as metropolitan planning organizations, regional
15 climate authorities, ~~regional energy networks~~, joint powers
16 authorities, ~~districts~~, regional collaboratives, or nonprofit
17 organizations working in coordination with the eligible ~~grant~~
18 applicant.

19 (b) Provide for a portfolio of projects to be implemented that
20 reduce greenhouse gases and maximize the ability to achieve one
21 or more of the following:

- 22 (1) Decrease air or water pollution.
- 23 (2) Reduce the consumption of natural resources or energy.
- 24 (3) Provide opportunities to ~~achieve greenhouse gas emissions~~
25 ~~reductions in ways that~~ increase localized energy resources.
- 26 (4) Promote public-private partnerships to implement energy
27 efficiency and clean energy projects.
- 28 (5) Promote financing incentives for residential and commercial
29 facilities.
- 30 (6) Increase the reliability of local water supplies.
- 31 (7) Increase solid waste diversion from landfills.
- 32 (8) Increase electric vehicle infrastructure.
- 33 (9) ~~Achieve greenhouse gas emissions reductions in ways that~~
34 ~~reduce~~ Reduce vehicle miles traveled.

35 (10) Prevent *the* conversion of agricultural, forest, and
36 open-space lands to uses that result in higher greenhouse gas
37 emissions.

38 (c) Maximize the development of community-level projects that
39 reduce greenhouse gas emissions.

1 ~~(d) Ensure projects are consistent with Chapter 4.1 (commencing~~
2 ~~with Section 39710).~~

3 ~~(e)~~

4 (d) Provide opportunities for both small- and large-population
5 participants and take into consideration regional context when
6 determining project eligibility.

7 ~~(f)~~

8 (e) Provide incentives for projects that are in addition to projects
9 already being implemented at the local level.

10 ~~(g)~~

11 (f) Provide opportunities for the development and
12 implementation of innovative projects that create new systems or
13 technologies.

14 ~~(h)~~

15 (g) Provide opportunities for existing, proven greenhouse gas
16 emissions reducing or sequestering projects, including, but not
17 limited to, those projects and programs already adopted by local
18 agencies.

19 ~~(i)~~

20 (h) Provide for the aggregation of community- and regional-scale
21 emissions reduction or sequestration projects.

22 ~~(j)~~

23 (i) Ensure projects funded pursuant to this chapter maximize
24 moneys appropriated, provide environmental benefits, create jobs,
25 and are consistent with law.

26 (j) *Provide for the allocation of moneys appropriated by the*
27 *Legislature for the purposes of this chapter consistent with Chapter*
28 *4.1 (commencing with Section 39710), including, but not limited*
29 *to, the allocation of moneys to disadvantaged communities required*
30 *pursuant to Section 39713.*

31 39682. In evaluating potential projects to be funded pursuant
32 to this chapter, the Strategic Growth Council, in ~~coordination~~
33 *consultation* with the state board, shall give priority to projects
34 that demonstrate one or more of the following characteristics:

35 ~~(a) Regional integrated implementation.~~

36 ~~(b)~~

37 (a) The ability to leverage additional public and private funding.

38 ~~(c)~~

39 (b) The potential for cobenefits or multibenefit attributes.

40 ~~(d)~~

1 (c) The potential for the project or program to be replicated and
2 to create best practices to serve as a model for communities across
3 the state and region.

4 (e) ~~Consideration of geographic and socioeconomic issues.~~

5 (f)

6 (d) Demonstration of innovative strategies and approaches to
7 reducing greenhouse gas emissions.

8 ~~39683. (a) (1) Twenty-five percent of the moneys appropriated~~
9 ~~by the Legislature for purposes of this chapter shall be set aside~~
10 ~~for projects from eligible grant applicants that include and~~
11 ~~specifically benefit environmental justice communities.~~

12 ~~(2) A project is only eligible for the set-aside if it meets both~~
13 ~~of the following requirements:~~

14 ~~(A) One or more of the applicants is a city, county, city and~~
15 ~~county, or special district.~~

16 ~~(B) The project is located in whole or in part in an environmental~~
17 ~~justice community and directly benefits an environmental justice~~
18 ~~community.~~

19 ~~(b) Of the moneys to be appropriated pursuant to this section,~~
20 ~~the eligible grant applicant may use a portion of the moneys to~~
21 ~~provide technical assistance to environmental justice communities~~
22 ~~for purposes of preparing competitive projects and plans to be~~
23 ~~submitted to the Strategic Growth Council.~~